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APPLICATION

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Honorable Philip N. Asprodites
Commissioner of Conservation
Louisiana Office of Conservation
P. O. Box 94275
Baton Rouge, LA 70804-4275

RE: Lower Valentine Sand, Reservoir A
Valentine Field
Lafourche Parish, Louisiana

Dear Commissioner Asprodites:

Application is hereby made on behalf of **PETROQUEST ENERGY, L.L.C.** for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of orders pertaining to the following matters related to the **Lower Valentine Sand, Reservoir A, in the Valentine Field, Lafourche Parish, Louisiana**, to-wit:

1. To establish rules and regulations and create a single drilling and production unit for the exploration for and production of gas and condensate, such unit to be designated the L VAL RA SUA;
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit, with each tract sharing in unit production on a surface acreage basis of participation;
3. To designate the PetroQuest Energy, L.L.C. - Valentine Sugars No. 2 Well as the unit well for the proposed L VAL RA SUA;

4. To designate PetroQuest Energy, L.L.C. as the unit operator for the proposed unit;
5. To provide that any future wells drilled to the Lower Valentine Sand outside of the proposed unit should be located in accordance with the spacing provisions of Statewide Order No. 29-E;
6. To provide that any future wells drilled to or completed in the Lower Valentine Sand within the proposed unit should be exempt from the spacing provisions of Statewide Order 29-E;
7. To provide that the Commissioner of Conservation should be authorized to reclassify the Lower Valentine Sand, Reservoir A, by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation; and
8. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Lower Valentine Sand, Reservoir A in the Valentine Field, Lafourche Parish, Louisiana, is hereby defined as that gas and condensate bearing sand encountered between the depths of 10,390 feet and 10,710 feet, electric log measurements, (9,269 feet and 9,524 feet TVD) in the PetroQuest Energy, L.L.C. - Valentine Sugars (Middle Bay) No. 1 Well, located in Section 100, Township 17 South, Range 20 East, Lafourche Parish, Louisiana.

The pre-application conference tentatively scheduled for 10:00 a.m., on December 21, 2001, **WILL NOT BE HELD**, as it was not requested within the delays provided for by the Rules of Procedure; therefore, no opposition to this Application at the hearing is anticipated.

Pertinent data relating to the proposed application can be obtained, **AT THE COST OF THE REQUESTING PARTY**, by contacting Bill McAlister, 305 La Rue France, Lafayette, Louisiana 70508 (337)233-9839.

There is attached hereto and made a part hereof a plat outlining the proposed unit and a list of the names and addresses of the interested parties to whom this unitization proposal is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished **ONLY** to the Commissioner of Conservation and to the District Manager

of the Lafayette District of the Office of Conservation. However, the list of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, enclosed herein is our check in the amount of \$700.00 made payable to the Office of Conservation in payment of the required hearing application fee.

Very truly yours,


RANDALL C. SONGY

RCS/dde/bad

Enclosures

cc: Mr. Richard Hudson, District Manager
Office of Conservation

All Interested Owners, Interested Parties and
Represented Parties

P.S. To all Interested Owners, Represented Parties and Interested Parties:

You may have received this Application even though your property is not included in the proposed unit, because the Revised Rules of Procedure require us to attempt to also notify everyone owning an interest in the area "proximate to" the proposed units. In some cases, the area proximate to proposed units can extend as far as one-half mile outside the unit boundary.

Your receipt of this Application does not require you to take any action. It is meant to notify you of these proceedings so that you have the opportunity to participate if you so desire.

R 20 E

